VZCZCXRO4076 OO RUEHCHI RUEHDT RUEHHM DE RUEHML #2060/01 1350621 ZNY CCCCC ZZH O 150621Z MAY 06 FM AMEMBASSY MANILA TO RUEHC/SECSTATE WASHDC IMMEDIATE 1003 INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS RUEAIIA/CIA WASHDC RUEKDIA/DIA WASHDC RHEHNSC/NSC WASHDC RHHMUNA/CDRUSPACOM HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 03 MANILA 002060

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DEPT FOR EAP, EAP/MTS, INR/EAP, INR/B NSC FOR H. MORROW

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TAGS: <u>PGOV PINS PINR PHUM ECON RP</u>
SUBJECT: MAINSTREAM OPPOSITION: DIVIDED AND WITHOUT

EFFECTIVE THEMES

REF: A. MANILA 1981 ¶B. MANILA 1746 1C. MANILA 0641

**1**D. 05 MANILA 5947

Classified By: Acting Pol/C Joseph L. Novak for reasons 1.4 (b) and (d).

(C) Summary: Mainstream Opposition groups in the Philippines remain seriously divided among factions linked to former president Estrada, former president Aquino, Senator Lacson and others. The Opposition also remains without effective themes with which to counter the Arroyo administration. In terms of its next steps, the Opposition plans to try (once again) to impeach Arroyo this summer, while also trying to derail her Constitutional change plans. At this point, it seems unlikely that the Opposition will gain much traction with these plans unless it benefits from Malacanang mistakes or some other intervening factor. Key Opposition figures have also been embarrassed by revelations linking them to a former FBI analyst who pled guilty to espionage on May 4. End Summary.

## Badly Fragmented

(C) Mainstream Opposition groups in the Philippines remain badly divided ten months after their nemesis President Arroyo was almost forced to resign due to abuse of power charges and two months after Arroyo's brief imposition of a State of National Emergency. (Note: This message focuses on "mainstream" Opposition groups and not the "legal" left, which is also strongly anti-Malacanang. Septel focusing on these leftist groups follows. End Note.) Despite efforts to work together (see below), contacts report that fierce infighting continues among the various anti-Arroyo groups and that no group or person has been able to assert leadership and emerge as a viable alternative to the president. Ronnie Zamora, a key player for the Opposition in the House, told poloff recently that "we (the Opposition) are just not working together effectively; everyone has their own agenda and refuses to budge for the greater good of the overall effort against Arroyo.'

- (C) Key groups making up the mainstream Opposition at this time include:
- -- Pro-Estrada: This group, which is the single largest in the Opposition and which maintains a populist stance on most issues, remains loyal to former president Joseph "Erap'

Estrada, who is being tried on serious corruption charges and is under house arrest. One of Estrada's sons, Jinggoy Estrada, is a senator, and another, J.V. Ejercito, is a mayor in the Metro Manila area. His wife, Loi, is also a senator. He has other supporters in the House and Senate, including Senate Minority Leader Aquilino Pimental. Erap is said to be one of the major financiers of the Opposition.

- -- Pro-FPJ: This group is loyal to the legacy of defeated presidential candidate Fernando Poe, Jr., the well-known actor who died in December 2004. The head of this faction is nominally his widow, Susan Roces, another well-known actor, who has not yet taken an explicitly political role. House Minority leader Francis "Chiz" Escudero is in this camp, as are two sons (Mark and Charlie, both in Congress) of business tycoon Danding Cojuangco.
- -- Pro-Aquino: Former president Corazon Aquino came out against Arroyo in July 2005 and, since that time, has gathered around her a host of civil society advocates and some elements of the Catholic Church. This faction is known for its good government views. Those close to Aquino include former Cabinet secretaries Corazon "Dinky" Soliman and Butch Abad (both of whom resigned from Arroyo's Cabinet in 2005). Many of these elements are involved in the Black and White Movement, an anti-Arroyo grouping. Senate President Franklin Drilon, who also came out against Arroyo in 2005, is linked to Aquino.
- -- Pro-Lacson: This camp is linked with Senator Panfilo "Ping" Lacson, who finished third in the 2004 presidential election after Arroyo and FPJ. Lacson, who has links with Estrada for whom he served as head of the Philippine National Police (PNP), is basically a one-man band. He seems,

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however, to have access to funding from Filipino Chinese sources, who admire him for his tough anti-kidnapping efforts while with the PNP.

-- Pro-Marcos: This group is linked to Representative Imee Marcos and Ilocos Norte Governor Ferdinand "Bong Bong" Marcos Jr., the daughter and son respectively of Ferdinand and Imelda. The number of Marcos revanchists in the Philippines is very small, but Imee, in particular, maintains connections to many in the Manila political elite. Imelda Marcos, who lives in Manila, is a non-factor politically at this point.

Mavericks who are in the ranks of the Opposition, but who are not particularly aligned with any faction include: Loren Legarda, FPJ's vice presidential running mate in 2004 (who is still contesting the results); Senator Rodolfo Biazon, a former Armed Forces of the Philippines Chief of Staff; and Brother Eddie Villanueva, an Evangelical leader and former presidential candidate. Former president Fidel Ramos, while increasingly critical of Arroyo, has not joined the Opposition, nor indicated that he has plans to do so.

## No Effective Pitch

14. (C) A serious problem for the Opposition is that it remains without effective political or economic themes with which to counter the Arroyo administration. Although most of the Opposition groups have published various elaborate (usual populist in inspiration) "programs of action," their leaders basically focus on the state of their plans to undermine President Arroyo and drive her from office. The current buzz among the Opposition, for example, is how to derail Malacanang's effort to enact Constitutional changes meant to create a parliamentary form of government. The Opposition is also planning to try once again to impeach Arroyo this summer. Observers assert that the main problem hindering the Opposition's development of an effective message is that it only thinks in these type of tactical ways meant to undercut

Arroyo at every turn, without focusing much on the greater good of the country.

15. (C) Opposition contacts readily admit that a major part of the problem in developing an effective anti-government message is the fact that macroeconomic conditions under President Arroyo are basically positive and on the upswing. Economic growth has been solid, remittances from Overseas Foreign Workers (OFWs) continue to grow annually at double-digit rates, the peso has been strong versus the dollar, etc. Notwithstanding these positive trends, the income gap continues to grow as the benefits of President Arroyo's economic policies have failed to trickle down to the poorest. Favorable economic conditions for middle and upper-income Filipinos mean that few of them are prepared to line up at the barricades in another "People Power" effort to replace an incumbent government (these groups played pivotal roles in previous street protests). In addition, in an era when many Filipinos are increasingly suspicious of politics as usual, the Opposition is also seen as too closely linked to former president Estrada, who -- while popular with the poor -- is anathema to middle class and wealthier voters due to his corrupt ways.

Next Steps for Opposition

- 16. (C) Lito Banayo, a political operative close to Senator Lacson, told Acting Pol/C May 10 that the Opposition continued to try to unite and stick to "a singular message." He asserted that Opposition groups had made some progress in this area, but he admitted that there was a long way to go -- "The Estrada side will not work closely with the 'good government' supporters of Aquino and vice versa, and everyone else is suspicious of each other." In the near term, Banayo predicted that anti-Arroyo elements in the Senate would seek to launch new investigations of alleged Malacanang corruption and abuse of power now that the Supreme Court had ruled that Malacanang had to be more accommodating regarding Executive Branch testimony in the House and Senate (ref B).
- $\P$ 7. (C) Banayo added that Opposition groups were already preparing a new impeachment complaint against President Arroyo to file this summer (per the Constitution, the

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earliest opportunity to file such a complaint would be this July, one year after the filing of the last set of charges, which were dismissed by the House). When asked whether the complaint would contain anything new, he responded that the charges would be very similar to last year's complaint, but would include alleged large-scale misappropriation by Malacanang of government fertilizer funds for use during the 2004 election campaign. Regarding Constitutional change, Minority Leader Escudero told Acting Pol/C on May 8 that the Opposition remained strongly opposed to the GRP's proposed changes and would take the matter to the Supreme Court if Malacanang's plan indeed moved forward.

Comment

18. (C) In the short to mid-term, it seems unlikely that the Opposition will gain much traction unless it benefits from Malacanang mistakes or some other intervening factor. Many Mission contacts report a deep sense of political apathy in the country stemming, at least in part, from the fact that previous "People Power" revolts failed to meet expectations. That said, the depth of anti-Arroyo sentiment in the Opposition is strong, with some even willing to work with disgruntled elements in the military against her. Given this, political volatility is likely to continue. A new problem for the Opposition is that Estrada, Lacson and other figures have been implicated in the espionage activities of a

former FBI analyst, who pled guilty on May 4 (ref A). The political fallout of this case is still unclear, but so far the revelations have been embarrassing for the Opposition.

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Kenney